

**LULING VOLUNTEER FIRE DEPARTMENT, INC.**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2000**

**Ericksen, Krentel, Canton & LaPorte, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

4227 Canal Street

New Orleans, Louisiana 70119-5996

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# Ericksen, Krentel, Canton & LaPorte, L.L.P.

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## INDEPENDENT AUDITORS' REPORT

Luling Volunteer Fire Department, Inc.  
67 St. Anthony Street  
Luling, Louisiana 70070

We have audited the accompanying general purpose financial statements of the Luling Volunteer Fire Department, Inc. as of and for the year ended December 31, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the Luling Volunteer Fire Department, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide* and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Luling Volunteer Fire Department, Inc. as of December 31, 2000, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2001 on our consideration of the Luling Volunteer Fire Department, Inc.'s internal controls over financial reporting and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

June 19, 2001

  
Certified Public Accountants



**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2000**

**ASSETS AND PROVISIONS**

	Governmental Fund Type	Account Group	Totals (Memorandum Only)	
	General Fund	General Fixed Assets	Long-term Debt	2000      1999
Cash	\$ 587,499	\$ -	\$ -	\$ 587,499    \$ 664,186
Due from Parish (Note 3)	16,464	-	-	16,464      11,072
Other receivables	721	-	-	721          -
Prepaid expenses	27,335	-	-	27,335      23,642
Fire protection vehicles	-	1,089,170	-	1,089,170    1,089,170
Equipment	-	551,151	-	551,151      426,540
Buildings	-	1,420,991	-	1,420,991    1,309,941
Land	-	38,700	-	38,700       38,700
Debt retirement provision	-	-	218,086	218,086      274,984
<b>Total assets and provision</b>	<b>\$ 632,019</b>	<b>\$ 3,100,012</b>	<b>\$ 218,086</b>	<b>\$ 3,950,117    \$ 3,838,235</b>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES:**

Accounts payable	\$ 18,995	\$ -	\$ -	\$ 18,995    \$ 6,800
Notes payable	-	-	218,086	218,086      274,984
<b>Total liabilities</b>	<b>18,995</b>	<b>-</b>	<b>218,086</b>	<b>237,081      281,784</b>

**FUND EQUITY:**

Fixed asset investment	-	3,100,012	-	3,100,012    2,864,351
Fund balance - reserved for prepaid expenses	27,335	-	-	27,335      23,642
Fund balance - unreserved, undesignated	585,689	-	-	585,689      668,458
<b>Total fund equity</b>	<b>613,024</b>	<b>3,100,012</b>	<b>-</b>	<b>3,713,036      3,556,451</b>
<b>Total liabilities and fund equity</b>	<b>\$ 632,019</b>	<b>\$ 3,100,012</b>	<b>\$ 218,086</b>	<b>\$ 3,950,117    \$ 3,838,235</b>

See accompanying NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

	2000	Totals (Memorandum Only) 1999
<b><u>REVENUES:</u></b>		
Sales tax - 1/8 cent	\$ 254,466	\$ 301,540
Operations and capital improvements millage	103,922	104,750
Fire insurance rebate	30,947	30,624
Other revenues	32,185	26,052
	<hr/>	<hr/>
Total revenues	421,520	462,966
	<hr/>	<hr/>
<b><u>EXPENDITURES:</u></b>		
Utilities:		
Electricity, water and gas	16,316	13,046
Telephone	3,796	3,560
Equipment:		
Maintenance	29,647	22,392
Fuel	3,704	2,260
Insurance	7,822	7,498
Buildings:		
Maintenance	28,211	7,851
Insurance	14,443	10,311
Personnel:		
Insurance	6,705	6,660
Training	29,904	8,519
Firefighting expenditures:		
Fire supplies	25,130	21,599
Emergency system access	-	20,000
Miscellaneous:		
Accounting and auditing	3,000	3,000
Legal fees	11,035	3,313
Office expense	5,693	3,200
Meetings and other	14,775	13,948
Account group activity:		
Equipment purchases and building additions	235,661	341,631
Debt retirement	56,898	25,016
Interest expense	11,384	8,951
	<hr/>	<hr/>
Total expenditures	504,124	522,755
	<hr/>	<hr/>
(Deficiency) of revenues over expenditures	(82,604)	(59,789)
	<hr/>	<hr/>
<b><u>OTHER FINANCING SOURCES:</u></b>		
Proceeds from debt incurred	-	300,000
Proceeds from insurance claim	3,528	5,368
	<hr/>	<hr/>
Total other financing sources	3,528	305,368
	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over expenditures	(79,076)	245,579
	<hr/>	<hr/>
FUND BALANCE, BEGINNING OF YEAR	692,100	446,521
	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	\$ 613,024	\$ 692,100
	<hr/>	<hr/>

See accompanying NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS



**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2000**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The Luling Volunteer Fire Department, Inc. (Fire Department) receives funding from local and state government sources and must comply with the concomitant requirements of these funding source entities. However, the Fire Department is a "primary government" and is not included as a component unit of any other St. Charles Parish governmental "reporting entity" as defined in GASB pronouncements, since the entity is a non-profit corporation, and the board members have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. The Fire Department includes all activities that are controlled by it as a quasi-public non-profit corporation organized to provide fire protection to the Parish of St. Charles. The Fire Department has no component units.

The accounting and reporting policies of the Fire Department conform to generally accepted accounting principles as applicable to governmental units.

**Fund Accounting**

The accounts of the Fire Department are organized on the basis of a fund (General Fund) and account groups, each of which is considered a separate accounting entity. The operations of the General Fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Fire Department records are maintained on a cash basis of accounting. However, the General Fund reported in the accompanying financial statements has been converted to a modified accrual basis of accounting utilizing the following practices in recording revenues and expenditures:

**Revenues**

Sales taxes are recorded in the month the taxes are collected by the St. Charles Parish School Board. Sales taxes become payable to the St. Charles Parish School Board on the first day of the month and become delinquent on the 20th day of the month following incurrence of the taxes by businesses.

**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues (Continued)**

An ad valorem tax issue is dedicated to the operations of the Fire Departments. The millage expires in 2009. Each department is to receive one ninth of annual collections. Taxes levied in November each year are available for expenditures in the subsequent year.

Interest income on investments is recorded when the investments have matured and income is available.

All other revenues are recorded when received.

The majority of the Fire Department's revenues are derived from the one-eighth of one percent sales tax and the ad valorem tax for operations.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which is not recognized until due.

**Cash and Cash Equivalents**

The Fire Department is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, and the laws of the United States. The Fire Department may also invest in time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Under state law, these deposits must be secured by the fiscal agent bank. The market value of such pledged securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent. At December 31, 2000, the carrying amount of the Fire Department's deposits was \$587,499 and the bank balance was \$619,095, classified as follows:

Federally insured	\$	362,253
Collateralized		256,842
Uninsured and uncollateralized		<u>-</u>
	\$	<u>619,095</u>

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2000, are recorded as prepaid items. A portion of the general fund's fund balance equal to the prepaid items has been reserved to indicate that it is not available for appropriation.



**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets and Budgetary Accounting**

The Fire Department was not required to prepare a budget for the year ended December 31, 2000.

**Encumbrance Accounting**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in governmental funds.

**Fixed Assets and Long-Term Debt**

Fixed assets used in governmental fund type operations are accounted for in the general fixed assets account group, rather than in the General Fund. No depreciation has been provided on fixed assets. Fixed assets are valued at historical cost.

Long-term liabilities expected to be financed from the General Fund are accounted for in the general long-term debt account group.

The two account groups are not "funds". They are concerned only with the measurement of financial position and do not involve measurement of results of operations.

**Total Columns of Combined Balance Sheet**

Total columns on the combined balance sheet are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Comparative Data**

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Fire Department's financial position and operations. However, presentation of prior year totals by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.



**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2000

**(2) SALES TAX REVENUE**

Effective March 1, 1980, sales tax in the amount of one-eighth of one percent is collected by the St. Charles Parish School Board and administered by the Parish President. The sales tax is to be used for fire protection of the Parish of St. Charles. The funds are distributed monthly by the Parish President to the individual fire departments of the St. Charles Parish Firemen's Association, Inc. Effective January, 2000, the sales tax is distributed on the following basis:

	<u>Monthly Basis</u>	<u>Percent of Remaining Funds</u>
Bayou Gauche Volunteer Fire Dept., Inc.	\$ 2,500	3.69%
Des Allemands Volunteer Fire Dept., Inc.	\$ 2,500	4.68%
East Side St. Charles Volunteer Fire Dept., Inc.	\$ 2,500	23.07%
Hahnville Volunteer Fire Dept., Inc.	\$ 2,500	5.88%
Killona Volunteer Fire Dept., Inc.	\$ 2,500	1.47%
Luling Volunteer Fire Dept., Inc.	\$ 2,500	29.52%
Norco Area Volunteer Fire Dept., Inc.	\$ 2,500	10.19%
Paradis Volunteer Fire Dept., Inc.	\$ 2,500	4.79%
St. Rose Volunteer Fire Dept., Inc.	\$ 2,500	16.71%

**(3) DUE FROM PARISH**

Revenue receivable at December 31, 2000, consists of the Fire Department's share of the 1/8th cent sales tax for the month of November 2000, collected on or before December 20, 2000, by the St. Charles Parish School Board and remitted by St. Charles Parish in January 2001.

An allowance for uncollectible receivables is not recorded by the Fire Department because it considers all receivables collectible at December 31, 2000.

**(4) CHANGES IN GENERAL FIXED ASSETS**

	<u>Balance 1/1/00</u>	<u>Purchases 2000</u>	<u>Retirements 2000</u>	<u>Balance 12/31/00</u>
Fire protection vehicles	\$1,089,170	\$ -	\$ -	\$1,089,170
Equipment	426,540	124,611	-	551,151
Buildings	1,309,941	111,050	-	1,420,991
Land	38,700	-	-	38,700
	<u>\$2,864,351</u>	<u>\$ 235,661</u>	<u>\$ -</u>	<u>\$3,100,012</u>

**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2000

**(5) GENERAL LONG-TERM DEBT**

The following is a summary of changes in general long-term debt during the year ended December 31, 2000:

Long-term debt, beginning of period	\$ 274,984
Increases	-
Reductions	<u>(56,898)</u>
Long-term debt, end of period	<u>\$ 218,086</u>

The annual requirements to amortize debt outstanding as of December 31, 2000 are as follows:

<u>Year</u>	
2001	70,893
2002	68,844
2003	72,280
2004	<u>6,069</u>
	<u>\$ 218,086</u>

Details of long-term debt are as follows:

Note payable to First National Bank of St. Charles Parish collateralized by the fire station on St. Anthony Street, bearing an interest rate of 4.88%, payable in monthly installments of \$6,207.44. Due January 28, 2004.

\$ 218,086

**(6) LEASES**

During 1999, the Fire Department entered into an agreement to lease a copy machine. Rent expense under this lease for the year ended December 31, 2000 was \$2,543.

At December 31, 2000, minimum rental commitments under this lease were as follows:

<u>Year Ending December 31,</u>	
2001	\$ 2,176
2002	2,176
2003	2,176
2004	<u>2,176</u>
	<u>\$ 8,704</u>



**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2000**

**(7) RISK MANAGEMENT**

The Fire Department is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to firemen; and natural disasters. The Fire Department carries commercial insurance in amounts sufficient to insure itself against claims resulting from any of those risks.

**(8) CONTINGENCIES**

The Fire Department is involved in a lawsuit against the contractor which built the firehouse. The contractor has filed a counterclaim against the Fire Department. However, the contractor has filed bankruptcy and the proceeding has been stayed.

# Ericksen, Krentel, Canton & LaPorte, L.L.P.

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Luling Volunteer Fire Department, Inc.  
67 St. Anthony Street  
Luling, Louisiana 70070

We have audited the general purpose financial statements of Luling Volunteer Fire Department, Inc., as of and for the year ended December 31, 2000, and have issued our report thereon dated June 19, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether Luling Volunteer Fire Department, Inc.'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Luling Volunteer Fire Department, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Luling Volunteer Fire Department, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2000-1.



Luling Volunteer Fire Department, Inc.

June 19, 2001

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of Luling Volunteer Fire Department, Inc. in a separate letter dated June 19, 2001.

This report is intended solely for the information and use of Luling Volunteer Fire Department, Inc., St. Charles Parish and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

June 19, 2001

  
Certified Public Accountants

**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

We have audited the financial statements of Luling Volunteer Fire Department, Inc. as of and for the year ended December 31, 2000, and have issued our report thereon dated June 19, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2000 resulted in an unqualified opinion.

**SECTION I SUMMARY OF AUDITORS' REPORTS**

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses \_\_\_ Yes X No

Reportable Conditions X Yes \_\_\_ No

Compliance

Compliance Material to Financial Statements \_\_\_ Yes X No

b. Federal Awards **Not Applicable**

Internal Control

Material Weaknesses \_\_\_ Yes \_\_\_ No

Reportable Conditions \_\_\_ Yes \_\_\_ No

Type of Opinion on Compliance Unqualified \_\_\_ Qualified \_\_\_  
for Major Programs Disclaimer \_\_\_ Adverse \_\_\_

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

\_\_\_ Yes \_\_\_ No

c. Identification of Major Programs: **Not Applicable**

CFDA Number(s)	Name of Federal Program (or Cluster)



**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

Dollar threshold used to distinguish Type A and Type B Programs \$ \_\_\_\_\_

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

☐ Yes ☐ No ☒ Not Applicable

**SECTION II FINANCIAL STATEMENT FINDINGS**

**2000-1 Segregation of Duties**

Criteria: Safeguarding of assets requires adequate segregation of duties. No one person should have access to both physical assets and the related accounting records or to all phases of a transaction.

Condition: Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties consistent with appropriate control objectives regarding cash receipts and disbursements.

Effect: Intentional or unintentional errors could be made and not be detected.

Cause: The Department is small and therefore it is not feasible to maintain an adequate segregation of duties among accounting personnel. All personnel are volunteers.

Recommendation: The Board of Directors should remain involved in the day-to-day financial affairs of the Department to provide oversight and independent review functions. The bookkeeper should not be an authorized check signer and should not have access to cash receipts. Instead, someone independent of the bookkeeper should prepare a list of checks received and should make bank deposits. The list would be given to the bookkeeper for general ledger recording.

Management's Response: Management agrees with the recommendation; however, they feel that because of the small number of personnel in the Department it is not possible to remove the bookkeeper from the depositing and check signing responsibilities. The Board of Directors, however, will continue to monitor and review all financial transactions of the Department.

# Ericksen, Krentel, Canton & LaPorte, L.L.P.

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June 19, 2001

Luling Volunteer Fire Department, Inc.  
67 St. Anthony Street  
Luling, Louisiana 70070

In planning and performing our audit of the financial statements of Luling Volunteer Fire Department, Inc. for the year ended December 31, 2000, we considered the Department's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. A separate report dated June 19, 2001, contains our report on reportable conditions in the Department's internal control. This letter does not affect our report dated June 19, 2001, on the financial statements of Luling Volunteer Fire Department.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Department personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We would also like to recognize Mr. Randy Petit for the job that he has done as Treasurer of Luling Volunteer Fire Department, Inc. He has maintained complete and organized records and has been very helpful in assisting us with the audit.

Sincerely,

  
Certified Public Accountants



Luling Volunteer Fire Department, Inc.

June 19, 2001

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### **MANAGEMENT LETTER POINTS**

#### **2000-2 Deposit Cash Receipts on a Timely Basis**

During our audit we noticed that cash receipts are not being deposited on a timely basis. As a result, not only is there risk of loss from misplacement or misappropriation, but the cash is not available for expenditures. We recommend that deposits be made on a timely basis both to improve cash flow and to reduce the risk of loss.

#### **2000-3 Repayment of Advances to Members**

During our audit we noticed that the Department advanced funds to its members for out of town training seminars. In some instances, when the members returned from the seminar they did not repay the unused portion of the advance immediately. As of December 31, 2000, \$721 of advances were due to the Department. While this amount is immaterial to the financial statements, we recommend the following to avoid future problems:

1. The Department pay for all known expenses ahead of time.
2. The members pay for all expenses with their own money and submit expense reports to be reimbursed when they return.
3. The Department strictly enforce the guidelines of the St. Charles Parish Firemen's Association related to advances and the repayment of unused funds immediately upon the member's return from a seminar.

**LULING VOLUNTEER FIRE DEPARTMENT, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2000**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

**1999-1 Segregation of Duties**

Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties consistent with appropriate control objectives relative to cash receipts and disbursements.

The Department is small, and it was determined not to be feasible to maintain adequate segregation of duties. This issue remains unresolved.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO  
FEDERAL AWARDS**

Not Applicable

**SECTION III MANAGEMENT LETTER**

Not Applicable



## **CORRECTIVE ACTION PLAN RELATIVE TO MANAGEMENT LETTER ITEMS**

June 19, 2001

Louisiana Legislative Auditor

Luling Volunteer Fire Department respectfully submits the following corrective action plan for the year ended December 31, 2000.

Name and address of independent public accounting firm:

Ericksen, Krentel, Canton & LaPorte, L.L.P.  
4227 Canal Street  
New Orleans, Louisiana 70119  
Contact: Ronald H. Dawson, Jr.

Audit Period: 01/01/00 to 12/31/00

The findings from the December 31, 2000 management letter are discussed below. The findings are numbered consistently with the number assigned in the management letter.

### **2000-2 Deposit Cash Receipts on a Timely Basis**

Recommendation: The Department should deposit cash receipts on a timely basis.

Response: We concur with this recommendation; cash receipts will be deposited on a timely basis in the future.

### **2000-3 Repayment of Advances to Members**

Recommendation: The Department should review its policy regarding advanced expenses and consider making necessary changes to avoid having outstanding amounts owed from its members.

Louisiana Legislative Auditor

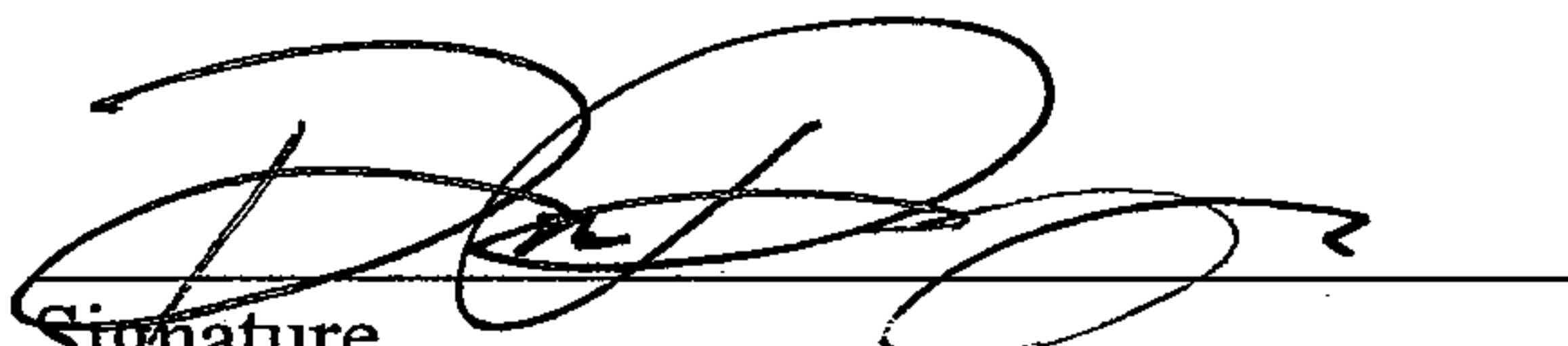
June 19, 2001

Page 2

Response: We've considered all three of your recommendations and have decided that under various circumstances the use of any of the three recommendations may be required. All three however, are more effective than our present policy and we will notify our members of the changes.

If there are any questions regarding this plan, please call Randy Petit at (504) 846-4324.

Sincerely,

  
Signature

TREASURER 1999-2000  
Title



[This form is an unaudited informational document prepared by management of the audited agency.]

LEGISLATIVE AUDITOR  
BATON ROUGE LA 70804

**DATA COLLECTION FORM**

**FOR REPORTING ON AUDITS OF STATE AND LOCAL GOVERNMENT AND QUASIPUBLIC ENTITIES**

OMB Form 0348-0057 may be used as a substitute for this form.

Date Submitted 06 /30 /01

RETURN to: Legislative Auditor

Attn: Engagement Processing

Post Office Box 94397

Baton Rouge, Louisiana 70804-9397

1. Fiscal Year Ending Date For This Submission:

12/31/00

3. Audit Period Covered

☒ Annual

☐ Biennial

☐ Other to

2. Type of Report:

☐ Single Audit ☒ GAO Audit Standards Audit

☐ Compilation ☐ Compilation/Attestation

☐ Program Audit ☐ Other

**4. AUDITEE INFORMATION**

Auditee Name

Luling Volunteer Fire Department

Street Address (Number and Street)

67 St. Anthony Street

Mailing Address (PO No.)

City State Zip  
Luling, LA 70070

Auditee Contact

Name

Randy Petit

Title

Treasurer

Telephone

846-4324

Email (Optional)

Fax

**5. AUDITOR INFORMATION**

Firm Name

Ericksen, Krentel, Canton & LaPorte, L.L.P.

b. Street Address (Number and Street)

4227 Canal Street

Mailing Address (PO No.)

City State Zip  
New Orleans, LA 70119

c. Auditor Contact

Name

Ronald H. Dawson, Jr., Partner

Title

Telephone

486-7275

Email (Optional)

Fax  
482-2516

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:

If there are no modifications to the auditor's financial opinion, no reportable conditions, no material weaknesses, no reported instances of noncompliance, and no management letter, check this box; do not complete the rest of the form.

☐

**6. FINANCIAL STATEMENTS**

a. Type of audit report on financial statements. ☐ Not Applicable

☒ Unqualified Opinion ☐ Qualified Opinion ☐ Adverse Opinion ☐ Disclaimer of Opinion

b. Is a 'going concern' explanatory paragraph included in the audit report?

☐ Yes

☒ No

c. Do any of the funds have deficit fund balances?

☐ Yes

☒ No

d. Is there a related party footnote?

☐ Yes

☒ No

**7. INTERNAL CONTROL**

Do the comments on internal control include: ☐ material weaknesses ☒ reportable conditions ☐ not applicable

**8. COMPLIANCE**

Do the comments on compliance include: ☐ illegal acts ☐ fraud/criminal acts ☒ not applicable

**9. MANAGEMENT LETTER (Finding Caption and No.)**

2000-2 Deposit Cash Receipts on a

Timely Basis

2000-3 Repayment of Advances to Members

Resolved ☒ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☒ Yes ☐ No ☐ No Longer Applicable

**10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)**

2000-1 Segregation of Duties

\$

Resolved ☐ Yes ☒ No ☐ No Longer Applicable

\$

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

\$

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

\$

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

\$

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

\$

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions? ☐ Yes ☐ No

Do any findings address violation of bond indenture covenants? ☐ Yes ☐ No

**11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS/MANAGEMENT LETTER COMMENTS**

(Finding/Comment Caption and No.)

1999-1 Segregation of Duties

Resolved ☐ Yes ☒ No ☐ No Longer Applicable

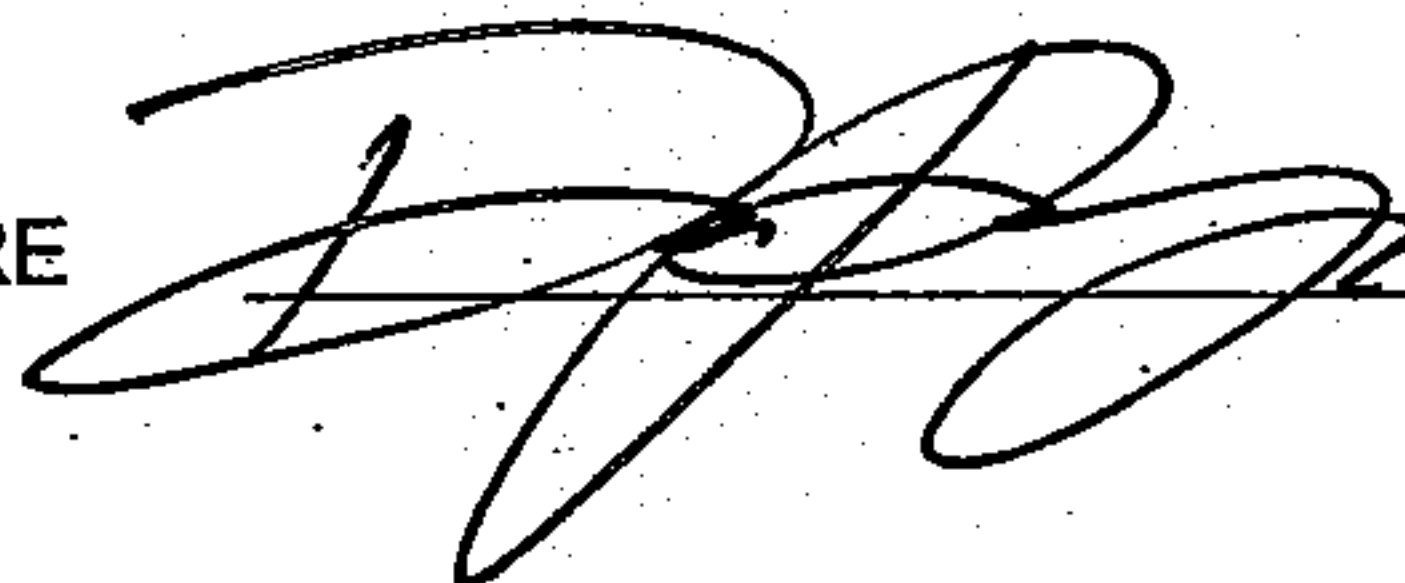
Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

Resolved ☐ Yes ☐ No ☐ No Longer Applicable

AUDITEE SIGNATURE



Date 6/26/2000